

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 FTC-01

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C O N F I D E N T I A L MILAN 0554

E.O. 11652: GDS

TAGS: PFOR, PINT, PINR IT, US

SUBJECT: DC LEADER ON PARTY CRISIS AND CIA - LOCKHEED SCANDALS

REF MILANS 0487, MILAN 0440, MILAN 0103

1. MASSIMO DE CAROLIS, ONE OF MAJOR CHRISTIAN DEMOCRATIC PARTY CONSERVATIVES AND VERY POPULAR MEMBER CITY COUNCIL, CALLED ON ME MARCH 5 TO COMPLAIN OF US HANDLING OF CIA AND LOCKHEED REVELATIONS. DE CAROLIS, WHOSE VIEWS PREVIOUSLY REPORTED REFTELS, IS ENGAGING, OUTSPOKEN AND RESPECTED EVEN BY HIS NUMEROUS POLITICAL ADVERSAIRES. HE PLANS TO RUN FOR CHAMBER IN NEXT GENERAL ELECTIONS AND, GIVEN HIS GREAT LOCAL FOLLOWING, WILL ALMOST CERTAINLY BE ELECTED. HE IS A FORLANI BACKER AND DOROTEO.

2. DE CAROLIS HAD BEEN IN ROME MARCH 4 AND DESCRIBED A DEEP CRISIS ATMOSPHERE IN DC WHICH HE CLAIMS IS COMING APART AT SEAMS. HE IS OBVIOUSLY SHAKEN BY THE CLEAR CUT DEFEAT THAT HE AND HIS GROUP SUFFERED AT THE LOMBARDY DC CONGRESS (MILAN 0487) WORLD IN WHICH HIS POWER BUILT APPEARS TO BE COLLAPSING. YET HE CAUTIONS ZACCAGNINI SUCCESS BY NO MEANS THE SHOO-IN THAT HIS SUPPORTERS CLAIMS. HE FORSEES DC MOVING LEFT TO REGAIN VOTERS FROM PCI BUT EVENTUALLY CREATING A LEFTEST ITALY. AT SOME POINT, DEGREE OF COLLABORATION WITH COMMUNISTS WILL SPLIT DC, HE WARNED.

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3. MAJOR PROBLEM RIGHT NOW, HOWEVER, IS US HANDLING OF CIA

AND LOCKHEED REVELATIONS. DE CAROLIS SAID THAT THERE IS WIDELY CURRENT STORY IN ROME, INCLUDING AMONG DC, THAT THESE REVELATIONS CAREFULLY PLANNED US MANEUVER DESIGNED TO DESTROY OLD LINE DC LEADERS TO ASSURE REJUVENATION OF PARTY. (SIMILAR THESIS ADVANCED TO ME IN LAST FEW DAYS BY BOTH VITTORINO COLOMBO AND GROUP OF YOUNG INDUSTRIALISTS WITH WHOM I MET). DE CAROLIS PROFESSED TO DOUBT THIS THESIS BUT INSISTED THAT IT VERY COMMONLY BELIEVED. WHAT OTHER POSSIBLE REASON COULD THERE BE?

4. I ASSURED DE CAROLIS THAT USG NEITHER SO CLEVER NOR SO MACHIEVELLIAN IN DEALING WITH ITS FRIENDS AND OFFERED ANALYSIS BASED ON POST-VIETNAM, WATERGATE AND PRESIDENTIAL ELECTIONS CAMPAIGN.

5. PRACTICAL PROBLEM IS, DE CAROLIS PROCEEDED, THAT THESE REVELATIONS ARE DESTROYING DC. BY FAILING TO NAME INDIVIDUALS INVOLVED IN DC, ALL ARE UNDER SUSPICION AND ALL ARE HANDICAPPED. IT WOULD BE FAR BETTER, HE ARGUED, TO PROVIDE THE NAMES OF RECIPIENTS OF LOCKHEED BRIBES AS FAST AS POSSIBLE - NO MATTER WHO IS INVOLVED. THAT WILL AT LEAST CLEAR THE REST OF THE PARTY TO SAVE THE SAVEABLE. AS FOR THE CIA BENEFICIARIES, DE CAROLIS WOULD NOT REVEAL THOSE NAMES UNLESS IT WERE LIKELY THAT THEY WOULD LEAK LATER ANYWAY. AS FAR AS HE WAS CONCERNED, HE SAID, ACCEPTING THAT MONEY TO HELP FINANCE AN ELECTION CAMPAIGN WITH NO POLICY STRINGS ATTACHED WAS DEFENSIBLE. THE LOCKHEED BRIBES WERE NOT.

6. IN ANY EVENT, EACH DAY THAT THE ENTIRE DC WAS UNDER SUSPICION, THE PARTY WAS FURTHER WEAKENED. AND THAT SITUATION WAS NOW AT CRISIS LEVEL, HE SAID.

7. THE POLITICAL OUTLOOK WAS VERY ALARMING TO DE CAROLIS. HE BELIEVED THAT NATIONAL ELECTION WERE LIKELY IN JUNE OR OCTOBER. FIRST, BECAUSE THE SOCIALISTS AT THEIR ROME CONGRESS WERE NOW CALLING FOR THEM. SECONDLY, BECAUSE THE DC HAD TO AVOID A REFERENDUM ON ABORTION. AND THIS MIGHT BE THE ONLY WAY TO DO THAT.

8. A REFERENDUM WOULD BE A DEFEAT FOR THE DC. (LEFT WING DC LEADER VITTORINO COLOMBO SAID THE SAME EARLIER IN THE WEEK.) IT WOULD BE A SECOND REFERENDUM DEFEAT (AFTER DIVORCE IN 1974) THAT WOULD HAVE A DEVASTATING EFFECT ON THE DC. A NEW LAW COULD AVOID THE REFERENDUM (AS WOULD EARLY ELECTIONS) BUT THE DC RIGHT INSISTED THAT ON A MATTER CONFIDENTIAL

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OF PRINCIPLE IT COULD NOT COMPROMISE TO ENACT SUCH A LAW. DE CAROLIS OPPOSED ABORTION BUT HE HAD TO CHOOSE THE LESSER EVIL. AND THAT WOULD BE A NEW, LIBERALIZED LAW.

9. DE CAROLIS REPEATED HIS LONG HELD VIEW THAT THE TRADITIONAL DC LEADERSHIP MUST BE SACKED AT THE CONGRESS. IT WAS ESSENTIAL FOR SYMBOLIC REASONS. EVEN IF ITS POWER WERE SHORN, THE PUBLIC NEEDED TO BE SHOWN THAT THERE HAD BEEN A HOUSE CLEANING BY DUMPING FANFANI,

MORO, RUMOR, TAVIANI, ANDREOTTI AND THE REST, HE INSISTED.

10. MOREOVER, DE CAROLIS CONFIRMED HIS SIMILARLY LONG HELD BELIEF THAT A DC-SOCIALIST GOVERNMENT MUST QUICKLY BE FORMED MAKING MAJOR CONCESSIONS TO THE SOCIALISTS.

11. WHEN I ASKED HOW HE XPLAINED THAT DESPITE THE AGREEMENT ON A CHANGE OF LEADERSHIP AND ALLIANCE WITH THE PSI AMONG HIMSELF, HIS CONSERVATIVE COLLEAGUE GINO COLOMBO, CENTER LEFT LEADER VITTORINO COLOMBO AND LEFT LEADER PIERO BASSETTI, HIS PARTY WAS STILL SPLIT INTO SEVERAL MAJOR FACTIONS, DE CAROLIS LAUGHED AND SAID THAT PERSONAL AMBITION WAS A CENTRAL INGREDIENT.

12. IN ANY EVENT, HE CONCLUDED, THE US MUST DO SOMETHING RAPIDLY TO CLEAR THE NAMES OF SOME DC LEADERS BY REVEALING THOSE TARRED IN BRIBERY AND POSSIBLY CIA FINANCING. TO DO LESS, HE ARGUED WITH PASSION, WAS TO DEAL THE DC ANOTHER STAGGERING BLOW WHICH ITALIAN DEMOCRACY TODAY COULD HARDLY AFFORD.FINA

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